

FOOD AND BEVERAGE INDUSTRY IN INDONESIA

Indonesia is predicted to enter the world's Top 10 economies by 2030. With a population of 253 million, over 50% of ASEAN population, the market potential for international exporters is staggering. Indonesia's food imports are now worth over US\$ 40 billion. The appetite for international high quality food & hospitality products is fuelled by a 90 million strong middle class. One of the industry that always sustain from crisis is food and beverage industry. But to make it really resession proof, we have to be creative in our marketing, especially in this digital world where customer loyalties is decreasing.



Mr Adhi S Lukman, the Chairman of Indonesian Food & Beverage Association (GAPMMI) informed us that the growth of food and beverage industry in 2016 is much higher than

2015. The investment in the food and beverage industry up to September 2016 already par to the whole year of 2015. And this year with the success of tax amnesty program, we expect the next year investment even getting higher. Mr Adhi also mentioned that Asia and South East Asia food and beverage market will be bigger the Europe or even America food and beverage industry. He is very optimist for 2017. We expect the growth of food and beverage in 2016 about 8.5%. And next year we expect next year it will growth 8.5% as well. There will be new rising star products such as cereal for breakfast, local snacks which also has potential for export market. We believe the local food if packed and design well it will become the rising star of food and beverage export market.

In addition food and beverage of the healthy leaving as well as halal food also will become the future trend. We expect the halal food from Indonesia will be able to penetrate muslim market in Japan, China, Korea, England, United States as well as European market, too. One of the most important things to growth well in these market – INNOVATIONS – it could be improvement in the ingredients, packaging or come with a real new products. Food and Beverage industry in Indonesia contribute 33% to the Domestic Products Bruto of the non oil & gas sectors. Therefore,

the government always support this industry. The Industry Minister, Mr. Airlangga Hartato has made promise to assure the availability of the raw materials for this industry The local players as to be more innovative as the multinational is coming more and more to Indonesia in both ingredient as well as the finish products. Foreign investment has reach 1.5 billion US\$ in 2015 and furthermore 1.6 billion US\$ up to September 2016.

E-commerce according to Mr Adhi has to be embrace wisely and in a creative way. Almost all food and beverage products now can be purchased on line. And this trend is increasing tremendously. Mayora Marketing Director also make the same comment that we have to be more creative with more and more multinational players entering Indonesia market. One of their creatiave product is Mie Mewah (Luxurious Instant Noodle) which indeed enter the market successfully.

